

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	PKEINPk SDN BHD	AUDIT NO.	115/18
ADDRESS	B-G-1, Greentown Suria, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak		
PLANTATION UNIT(S)	a) Ladang RTB Kg. Gajah b) Ladang MAIPK Sungkai c) Ladang Gelung Pepuyu		
TYPE OF ASSESSMENT	Main Audit		
GROUP MANAGER	En. Mohd Norsafizal Bin Md Sopian		
EMAIL ADDRESS	Pengurus Kanan (Bahagian Pembangunan dan Pengurusan Perladangan)		
WEB PAGE	www.pkeinpk.com		
AUDIT STANDARD(S)	MS 2530-3:2013 - Malaysian Sustainable Palm Oil Part 3: General principles of oil palm plantations		
AUDIT SCOPE	Provision of 3,302.73 Ha of Sustainable Oil Palm Plantation.		
AUDIT DATE	7 th & 8 th November 2018		
PREVIOUS AUDIT DATE	30 th August 2018 (Stage 1 Audit)		
NEXT AUDIT DATE	Surveillance Audit tentatively plan on November 2019		
OTHER CERTIFICATION HELD	Nil		
CERTIFICATE VALIDITY	07/01/2019 to 06/01/2024		
AUDITOR TEAM MEMBERS	LEAD AUDITOR	Mohan Thavarajah (MT)	
	AUDITOR	1. Mohamad Padil Mat Saman (PMS) 2. Khairul Faris Syamsurial (KFS)	

***These are your certification details.
Please inform us immediately if amendments are required.***

Audit Conclusion
Based on the documentation reviewed, records sampled, site visit and interview with relevant personnel's during this Stage 2 Audit, the audit team conclude that, PKEINPK SDN BHD has effectively implemented its Malaysian Sustainable Palm Oil system in accordance to the MS 2530-3:2013 requirements inline with the organization procedure & policy for the above mentioned scope despite of nonconformances raised.
Recommendation
The audit team has agreed to recommend for PKEINPK SDN BHD to be awarded with MS 2530-3:2013 Certifications based on applied scope on the conditions that the raised NCRs are satisfactorily closed within the stipulated time frame subject to review by Certification Approval Panel (CAP).

Team Leader	Mohan Thavarajah	Signature		Date	31 December 2018
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EXECUTIVE SUMMARY

PKEINPK Sdn Bhd was established on 28 June 2012 wholly owned by Majlis Agama Islam dan Adat Melayu Negeri Perak. The oil palm plantation business consist of Ladang Milikan Sendiri, Rancangan Tanah Berkelompok (RTB), Al-Musyarakah (Usahasama) and Al-Wakalah (Pajakan).

Stage 2 of certification audit has been satisfactorily conducted by NIOSH Certification Sdn. Bhd. on 7th - 8th November 2018. NIOSH Certification is a Malaysian accredited certification body by Standards Malaysia which providing a comprehensive certification and inspection services mainly for management system of occupational safety & health, environmental, quality and MSPO for various industries. During the audit closing meeting held on 8th November 2018, the overall results of the audit are as follows:

1. Nonconformity Report (NCR)
*Major = **Two (2)***
*Minor = **Five (5)***
2. Opportunities for Improvement = **Three (3)**

PKEINPk has prepared Corrective Action Plan as respond of raised NCR which date of implementation adequately accepted by Audit Team. The effectiveness of the corrective action for minor NCR will be reviewed on the next surveillance while major NCR satisfactorily reviewed closed.

ASSESSMENT TEAM MEMBER

Lead Auditor	<p>Mr. Mohan Thavarajah</p> <p>Mr. Mohan is an IRCA Lead Auditor and Lead Tutor ISO 9001 as well as other integrated management systems (ISO 14001 and OHSAS 18001). He holds a Masters in Management of Technology from University of Technology Malaysia (UTM) and a Bachelor of Engineering from National University of Singapore (NUS). He has more than 30 years of experience in engineering, managerial, consultancy, training, and auditing in the industrial sector in Singapore, Malaysia, Indonesia, Thailand, Cambodia and other regional countries. Has successfully assisted corporations to establish, implement and maintain (Occupational Health Safety) OHSAS 18001 Management System, Environmental Management System (ISO14001 and Quality Management System (ISO9001) by providing auditing, consultancy and training in the relevant areas for various manufacturing, engineering, plantation, service and government sectors. He was a CB Team member in the stakeholder consultation and development of the RSPO Cambodian Local Indicators. He was part of the RSPO Assessment team which audited several RSPO certified Plantation Management Units since 2011. Successfully attended RSPO (Proforest) in 2011 and MSPO Lead Auditor course (IMPAC) course on 2014.</p>
Auditor	<p>1. Mohamad Padil Mat Saman</p> <p>Mr. Mohamad Padil Mat Saman holds a Diploma from MARA University of Technology in Plantation Management with more than 10 years working experience in various plantation companies (Sime Darby Plantations, Kumpulan Guthrie Berhad and Tradewinds Plantation Sdn Bhd) and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM) and Structured Safety and Health Plantation Programme. Fully trained in similar agriculture certification programs such as EUROGAP, RSPO, ISCC, MSPO, OHSAS and etc. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2015. Involved in audits conducted in for many different companies in Malaysia. Completed and certified MSPO Auditor course in 2015 and attended Integrated Management System (IMS) conducted in July 2018.</p>
Auditor	<p>2. Khairul Faris Syamsurial</p> <p>Mr. Khairul Faris holds a Bachelor of Engineering (Hons) Chemical from MARA University of Technology, Malaysia and registered with Board of Engineers Malaysia as Grad. Eng. He has successfully obtained competency of Lead Auditor course for Malaysian Sustainable Palm Oil (MSPO), Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015) and Occupational Safety & Health Management System (OHSAS 18001:2007 & MS 1722:2011). Also attended the Quality & Environmental MS Auditing Skills Based on Risk Management, Conformity Assessment – For Bodied Providing Audit and Certification (ISO/IEC 17021:2015) collaboration with Institute of Quality Malaysia, ISO/IEC 17021 Competence for Auditing by Standards Malaysia, Hazard Identification Risk Assessment and Environmental Aspect Impact comprehensive course. He is a practitioner and experienced auditor since 2014 for the mentioned MSPO, Quality, Environmental and OSH schemes with various of auditing experience in relevant areas of palm oil plantation & mill, manufacturing industries, governmental agencies, oil & gas, construction, telecommunication and petrochemical industries.</p>

AUDIT METHODOLOGY & AUDIT PROGRAMME

The assessment was conducted involving the estates under PKEINPk Sdn Bhd. The minimum mandays has been justified as per ACB-OPMC 2 (Audit Duration for CB Operating Oil Palm Management Certification under MSPO Scheme). Sampling estate allocated is $1.0\sqrt{3}$ resulting 2 estates been sampled which are Ladang RTB Kg. Gajah and Ladang Gelung Pepuyu. The audit covers physical observation in the field, documentation review, internal policies and procedures, management system as well as records review in compliance with the audit criteria requirements.

SUMMARY AUDIT FINDINGS

During the audit closing meeting held on 8th November 2018, the overall results of the audit are as follows:

The following items represented **positive observations** by the audit team:

- a. Strong commitment and cooperation from the management towards MSPO implementation.
- b. Good improvement in technology mechanization in Ladang Kg. Gajah in the use High Lift Trailers for transportation of FFB.

The overall results of the audit are as follows:

- a. **TWO (2)** – Major Nonconformity Report (NCR);
- b. **FIVE (5)** – Minor Nonconformity Report (NCR); and
- c. **THREE (3)** – Opportunities For Improvement (OFI)

The audit team has satisfactorily verified the corrective action plan provided by the client. The effectiveness on the action plan for the corrective action will be reviewed by NIOSH Certification's auditors during the next surveillance audit.

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DETAILS OF OPERATION UNIT (S)

AREA AND FFB PRODUCTION FOR ESTATES

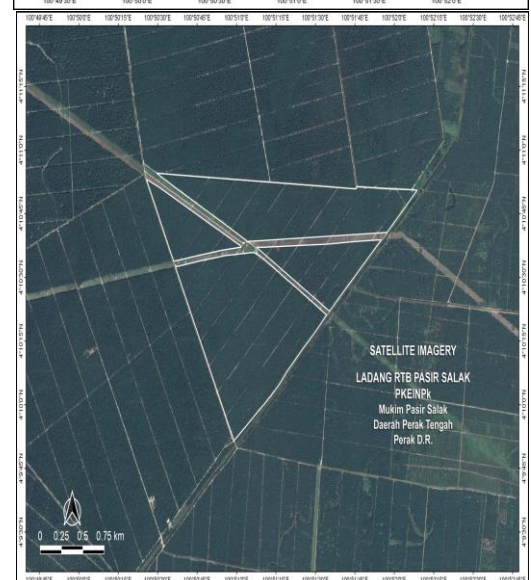
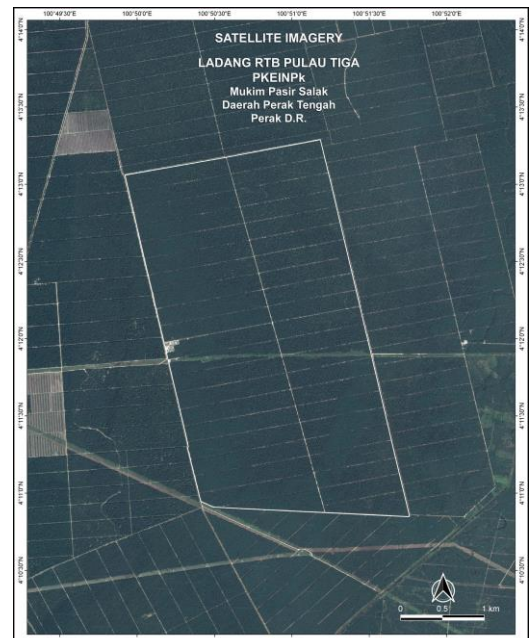
No	Estates Name	Address Of Estate	GPS Coordinate	Total Title Area (Ha)
1	Ladang RTB Kg Gajah	P.O Box 50, Pejabat Pos Sitiawan, 32000 Sitiawan Perak	4°11'52.6"N 100°50'12.6"E	1,448.32 Ha
2	Ladang Gelung Pepuyu	Batu 41, Jalan Ayer Tawar Beruas, 32700 Beruas Perak	4°29'04.1"N 100°47'01.9"E	448.40 Ha
3	Ladang MAIPk Sungkai	No 2449 A, Jalan Layang – Layang, Felda Gunong Besout 2, 35600 Sungkai Perak	3°50'21.7"N 101°17'34.1"E	809.37 Ha
TOTAL				2,706.09 Ha

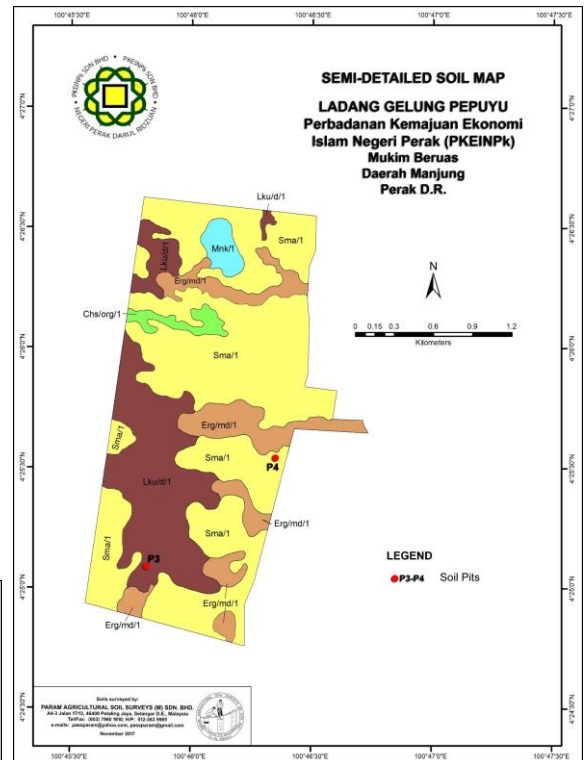
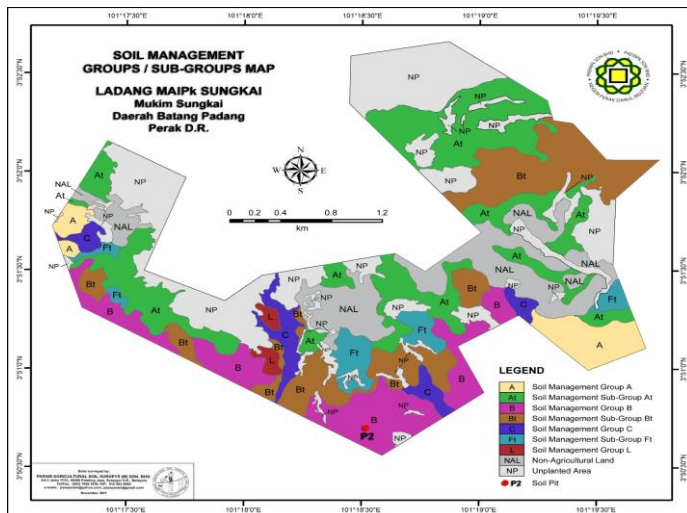
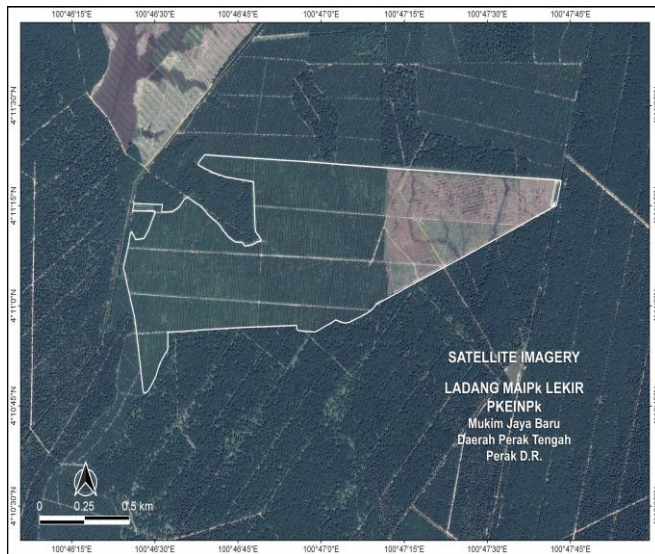
AREA AND FFB PRODUCTION FOR ESTATES

		Planted Areas				Non Planted Area		TOTAL TITLE AREA (Ha)
No	Estates Name	Immature Area (Ha) 0-3 Yrs	Young Mature Area (Ha) >3-6 Yrs	Prime Mature Area (Ha) >6 Yrs	Due For Replanting (Ha)	Conservation /Hcv Area (Ha)	Others (Building, Line Sites, Etc.)	
1	Ladang RTB Kg Gajah	-	-	1,409.9	-	-	38.42	1,448.32
2	Ladang MAIPk Sungkai	-	609.10	-	-	-	200.27	809.37
3	Ladang Gelung Pepuyu	-	414.25	-	-	-	34.15	448.40
	TOTAL	-	1,023.35	1,409.9	-	-	272.84	2,706.09

LOCATION AND MAP

1. LOCALITY & ESTATE MAPS





Stakeholders Consultation Session

Stakeholder consultation began with notification of upcoming assessment by official letter 5th October 2018 to identified stakeholders. Emails, phone call and official letter were sent to applicable interested stakeholders. Audit team then visited some stakeholders to obtain positive / negative information or any issues in connection with PKEINPk Sdn Bhd.

It was started with a slide presentation by NIOSH Certification explaining about the objectives of the MSPO certification scheme and purpose of stakeholder consultation. Agenda of discussion including legal compliance, environmental protection, biodiversity conservation, safety & social responsibility and development of community. No major adverse issue been raised as consulted during the audit. All positive and negative inputs from stakeholders has been discussed with management of PKEINPk Sdn Bhd with proper justification and adequate action plan by the management team to address the issue. Among the contacted stakeholders which are present:

- a. JKKP Perak
- b. DOE Perak
- c. Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK)
- d. Jabatan Tenaga Kerja, Ipoh
- e. Wakil Peserta RTB Kg. Gajah
- f. Ketua Kampung Kedah
- g. Contractor for Maintenance

Others

Nil

Disclaimer

NIOSH Certification provides services which are designed to determine whether the referenced Management System of the client:

- a) complies with the relevant (mentioned) Standard; and
- b) has been properly implemented and maintained.

Audits are based on random sampling techniques and non conformances may exist which did not become apparent during the audit.

NIOSH Certification does not provide any advice on compliance with any legislation, regulation, or standards. All audit reports and other documentation provided by NIOSH Certification, are given in good faith and in reliance on the accuracy and completeness of the information provided by the client. No responsibility is accepted to any third party that may rely in whole or in part on the content of this report, to the extent permitted by Law.

- End of Audit Report -